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ATTORNEY GENERAL
DEPARTMENT OF JUSTICE

JUL 29 '21 PM 4:18 RCVD

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

JOHN M. FORMELLA
ATTORNEY GENERAL

JANE E. YOUNG
DEPUTY ATTORNEY GENERAL

July 29, 2021

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

1. Pursuant to RSA 14:30-a, VI, authorize the Department of Justice (DOJ) to budget and expend Balance Carry Forward Funds, in the amount of $107,296, for the purpose of covering projected shortfalls in general litigation expenses incurred in the defense of the State and the prosecution of criminal laws effective with the approvals of the Fiscal Committee and the Governor and Executive Council through June 30, 2022. 100% Federal Revenue Transfers From Other Agencies.

These funds are to be budgeted in account #02-20-20-200010-2601 entitled "Attorney General" as follows:

Class & Object	Class Title	FY 2022 Current Adjusted Authorized	Requested Action	FY 2022 Revised Adjusted Authorized
Expenditures				
010-500100	PERSONAL SERVICES PERM CLASS	$411,899	$0	$411,899
011-500126	PERSONAL SERVICES UNCLASSIFI	$139,008	$0	$139,008
012-500128	PERSONAL SERVICES UNCLASSIFI	$132,558	$0	$132,558
013-500132	PERSONAL SERVICES UNCLASSIFI	$95,000	$0	$95,000
015-500137	PERSONAL SERVICES UNCLASSIFI	$109,949	$0	$109,949
017-500147	FT EMPLOYEES SPECIAL PAYMENT	$6,000	$0	$6,000
018-500106	OVERTIME	$8,000	$0	$8,000

020-500200	CURRENT EXPENSES	$51,210	$0	$51,210
022-500255	RENTS-LEASES OTHER THAN STAT	$3,500	$0	$3,500
024-500225	MAINT OTHER THAN BUILD-GRN	$2,200	$0	$2,200
026-500251	ORGANIZATIONAL DUES	$35,000	$0	$35,000
027-582703	TRANSFERS TO DOIT	$54,001	$0	$54,001
030-500301	EQUIPMENT NEW REPLACEMENT	$2,500	$0	$2,500
037-500174	TECHNOLOGY-HARDWARE	$2,600	$0	$2,600
038-500175	TECHNOLOGY-SOFTWARE	$1,500	$0	$1,500
039-500188	TELECOMMUNICATIONS	$18,500	$0	$18,500
040-501587	INDIRECT COSTS	$43,133	$0	$43,133
042-500620	ADDITIONAL FRINGE BENEFITS	$8,102	$0	$8,102
049-584995	TRANSFER TO OTHER STATE AGEN	$5,221	$0	$5,221
057-500531	BOOKS PERIODICALS SUBSCRIPTI	$89,000	$0	$89,000
060-500601	BENEFITS	$394,363	$0	$394,363
066-500543	EMPLOYEE TRAINING	$1,000	$0	$1,000
070-500704	IN STATE TRAVEL REIMBURSEMEN	$2,950	$0	$2,950
073-500580	GRANTS NON FEDERAL	$150,000	$0	$150,000
080-500713	OUT OF STATE TRAVEL REIMB	$6,700	$0	$6,700
211-500757	CATASTROPHIC CASUALTY INS	$3,934	$0	$3,934
233-500769	LITIGATION EXPENSE	$350,000	$107,296	$457,296
	Total:	**$2,127,828**	**$107,296**	**$2,235,124**
Revenue				
00D-488502	FEDERAL REV. XFER FROM OTHER AGENCIES	$0	$107,296	$107,296
001-484981	TRANSFERS FROM OTHER AGENCIES	$128,066	$0	$128,066
009-407079	AGENCY INCOME	$267,318	$0	$267,318
00S-000010	GENERAL FUNDS	$1,732,444	$0	$1,732,444
	Total:	**$2,127,828**	**$107,296**	**$2,235,124**

2. Upon approval of requested action #1, Pursuant to RSA 7:12, authorize the Department of Justice (DOJ) to accept and expend a sum, not to exceed $2,658,748 in general litigation expenses incurred in the defense of the State and the prosecution of criminal laws effective with the approvals of the Fiscal Committee and the Governor and Executive Council through June 30, 2022. 100% General Funds

These funds are to be budgeted in account #02-20-20-200010-2601 entitled "Attorney General" as follows:

Class & Object	Class Title	FY 2022 Current Adjusted Authorized	Requested Action	FY 2022 Revised Adjusted Authorized
Expenditures				
010-500100	PERSONAL SERVICES PERM CLASS	$411,899	$0	$411,899
011-500126	PERSONAL SERVICES UNCLASSIFI	$139,008	$0	$139,008
012-500128	PERSONAL SERVICES UNCLASSIFI	$132,558	$0	$132,558
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018-500106	OVERTIME	$8,000	$0	$8,000
020-500200	CURRENT EXPENSES	$51,210	$0	$51,210
022-500255	RENTS-LEASES OTHER THAN STAT	$3,500	$0	$3,500
024-500225	MAINT OTHER THAN BUILD-GRN	$2,200	$0	$2,200
026-500251	ORGANIZATIONAL DUES	$35,000	$0	$35,000
027-582703	TRANSFERS TO DOIT	$54,001	$0	$54,001
030-500301	EQUIPMENT NEW REPLACEMENT	$2,500	$0	$2,500
037-500174	TECHNOLOGY-HARDWARE	$2,600	$0	$2,600
038-500175	TECHNOLOGY-SOFTWARE	$1,500	$0	$1,500
039-500188	TELECOMMUNICATIONS	$18,500	$0	$18,500
040-501587	INDIRECT COSTS	$43,133	$0	$43,133
042-500620	ADDITIONAL FRINGE BENEFITS	$8,102	$0	$8,102
049-584995	TRANSFER TO OTHER STATE AGEN	$5,221	$0	$5,221
057-500531	BOOKS PERIODICALS SUBSCRIPTI	$89,000	$0	$89,000
060-500601	BENEFITS	$394,363	$0	$394,363
066-500543	EMPLOYEE TRAINING	$1,000	$0	$1,000
070-500704	IN STATE TRAVEL REIMBURSEMEN	$2,950	$0	$2,950
073-500580	GRANTS NON FEDERAL	$150,000	$0	$150,000
080-500713	OUT OF STATE TRAVEL REIMB	$6,700	$0	$6,700
211-500757	CATASTROPHIC CASUALTY INS	$3,934	$0	$3,934
233-500769	LITIGATION EXPENSE	$457,296	$2,658,748	$3,116,044
	Total:	**$2,235,124**	**$2,658,748**	**$4,893,872**
Revenue				
00D-488502	FEDERAL REV. XFER FROM OTHER AGENCIES	$107,296	$0	$107,296
001-484981	TRANSFERS FROM OTHER AGENCIES	$128,066	$0	$128,066
009-407079	AGENCY INCOME	$267,318	$0	$267,318

00S-000010	GENERAL FUNDS	$1,732,444	$2,658,748	$4,391,192
	Total:	**$2,235,124**	**$2,658,748**	**$4,893,872**

EXPLANATION

RSA 7:12 provides a means to fund expenses incurred by DOJ in the prosecution of crimes and the defense of the State. The expenses span a range of litigation-related costs. In the current biennium, DOJ was appropriated a sum of $350,000 for these expenses. This appropriation has been nearly exhausted.

At this juncture, DOJ estimates it will need an additional $2,766,044 to cover on-going legal expenses through June 30, 2022. In **Requested Action #1**, the Department is requesting to utilize $107,296 in Balance Carry Forward funds, from Federal Revenue Transfers From Other Agencies, to offset the total cost to the General Fund, in **Requested Action #2**, to $2,658,748. Set forth below is a discussion of the specific, ongoing needs of the litigation fund.

Expenses Relating to the Criminal Bureau

DOJ estimates that the Criminal Bureau will require approximately $952,750 for investigations and prosecutions of crimes. The majority of this request relates to DOJ's investigation of alleged crimes at the former Youth Development Center. Over the past 26 months, this has evolved into a complex and multi-faceted investigation. This case involves a very large volume of documents, involving decades of records. The present request includes funds we anticipate needing to help store and manage those documents. The balance of the request for the Criminal Justice Bureau involves lab testing, crime-scene evaluation, depositions and expert review for pending prosecutions of homicides, illegal drug-related cases and other criminal investigations.

Expenses Relating to the Civil Bureau

DOJ estimates that the Civil Bureau will require approximately $1.020 million for defense of claims brought against the State and associated expenses. The *Amanda D., et al. v. Hassan, et al.,* case resulted in a 2014 settlement agreement relating to the community mental health system. There are ongoing expenses relating to legal fees for plaintiffs' counsel, as well as fees for the court-retained expert reviewer. DOJ estimates that for the balance of Fiscal Year 2022, these expenses will total $175,000. Another case with a significant anticipated expense is *Contoocook Valley School District v. State of New Hampshire*. This case will cost approximately $570,000 for document discovery, depositions and experts. The Civil Bureau expects to incur other expenses estimated at $275,000 in defense of the state.

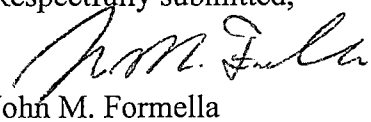
Expenses Relating to the Consumer Protection and Antitrust Bureau

DOJ estimates that the Consumer Protection and Antitrust Bureau will require approximately $631,294 to discharge its crucial public protection functions. The Bureau is continuing its ongoing antitrust investigation with respect to a proposed transaction involving large healthcare systems. This transaction is complex and the Bureau's investigation involves gathering, reviewing and evaluating large volumes of evidence. We have retained outside counsel, experts and economists to assist with this effort.

The remaining funding requests are for the Environmental Protection Bureau, the Transportation and Construction Bureau and the Charitable Trust Unit for costs associated with depositions, experts and document storage. The anticipated expenses for these three functions is $162,000.

Please let me know if you have any questions regarding this request. Your consideration is greatly appreciated.

Respectfully submitted,



John M. Formella
Attorney General

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